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Monthly
Failures

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FAILURES CONTINUE CLIMB IN APRIL WITH SERVICE AND CONSTRUCTION LINES UP SHARPLY

NEW YORK, October 17 - - Continuing up but at a weaker rate, business failures rose 15.5 per cent to 1,068 in April, the most in any month since April 1975 when the total came to 1,202, reports Dun & Bradstreet. While the month-to-month rise was not as sharp as in March, the year-to-year climb widened to 45.5 per cent over the 734 casualties occurring in April 1979.

Concerns failing in April involved liabilities of $428.2 million, more than half again the $274.2 million in the preceding month and the $242.8 million in the comparable month last year. The rate of increase in number of casualties steepened directly with size, with million dollar bankruptcies up most sharply.

In all types of operations, failures mounted to levels not seen since 1975. The mildest rise between March and April took place in manufacturing, 5.9 per cent, while the strongest, 35.1 per cent, took place in wholesaling. In fact, wholesalers suffered the heaviest toll since 1965 with machinery and automotive wholesalers bearing the brunt of the upsurge.

Over 60 per cent more businesses failed than in April 1979 in wholesaling and construction, along with over 50 per cent more in services. Most noteworthy were heavier casualties among machinery and auto parts wholesalers, general builders and heavy construction contractors, and transportation concerns. Meantime, casualties of retailers rose by over one-third and of manufacturers by one-fourth. In retailing, the building materials, auto and restaurant lines showed the most severe increases whereas in manufacturing the lumber-furniture and transportation equipment industries accounted for much of the climb.

Geographically, the rise in business casualties during April spread across all areas except the East South Central States, which held nearly steady, and the East North Central and West South Central which actually had an easing failure rate. An exceptionally strong upturn prevailed in the South Atlantic Region. All areas had more businesses failing than in April a year-ago. In several states - - Massachusetts, North Carolina, Georgia, Tennessee, Oklahoma, Texas, Colorado and Washington, casualties ran at twice their 1979 rates.

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INDUSTRD AND TRADE	NUMBER OF FAILURES				LIABILITIES			
	APRIL		FOUR MONTHS		APRIL		FOUR MONTHS	
	1980	1979	1980	1979	1980	1979	1980	1979
MINING AND MANUFACTURING								
Mining-Coal, Oil, Miscellaneous	11	4	29	21	8,314	1,542	25,240	19,111
Food & Kindred Products	2	3	19	18	261	364	10,692	15,610
Textile Mill Products & Apparel	20	15	62	56	11,449	20,964	40,364	52,094
Lumber & Lumber Products	22	12	70	45	10,898	4,461	23,034	18,216
Paper, Printing & Publishing	14	12	44	52	2,578	1,055	26,411	13,079
Chemicals & Allied Products	2	3	18	14	1,502	3,510	6,555	12,002
Leather & Leather Products	4	1	8	2	4,770	80	8,822	95
Stone Clay & Glass Products	6	1	18	10	3,492	117	6,124	9,126
Metals Primary & Fabricated	14	10	47	32	65,083	4,994	86,201	12,466
Machinery	15	23	47	67	5,661	9,145	41,528	66,684
Transportation Equipment	12	6	27	17	7,730	16,325	23,369	20,904
Miscellaneous	21	24	84	61	4,950	10,137	63,252	23,051
TOTAL MINING AND MANUFACTURING	143	114	473	395	126,688	72,694	361,592	262,438
WHOLESALE TRADE								
Food & Farm Products	16	16	56	53	6,200	8,992	26,484	31,052
Apparel	3	3	10	14	2,576	707	4,400	2,660
Dry Goods	3	2	10	6	3,344	255	11,263	2,388
Lumber, Bldg. Materials & Hardware	10	6	34	22	3,766	840	10,891	5,486
Chemicals & Drugs	5	4	12	11	2,564	3,538	4,325	10,341
Motor Vehicles & Auto Equipment	18	5	44	27	5,449	410	10,965	5,574
Electrical Goods	9	5	25	22	1,378	969	4,706	5,003
Furniture & Furnishings	6	5	20	13	597	778	7,138	4,488
Machinery, Equipment & Supplies	30	13	76	54	6,418	6,286	15,589	13,247
Miscellaneous	31	20	92	88	8,842	6,731	37,836	33,919
TOTAL WHOLESALE TRADE	131	79	379	310	41,134	29,506	133,597	114,178
RETAIL TRADE								
Food & Liquor	35	36	125	127	2,752	7,572	13,816	18,892
General Merchandise	13	6	50	21	6,374	497	13,964	8,345
Apparel & Accessories	55	48	170	162	8,481	4,233	23,268	17,102
Furniture & Home Furnishings	53	51	200	163	7,380	6,863	33,634	23,019
Lumber, Bldg. Materials & Hardware	32	12	84	57	6,960	1,602	16,243	17,245
Automotive Group	83	49	262	176	25,666	9,750	79,721	25,713
Eating & Drinking Places	96	62	298	222	31,206	7,433	66,107	61,558
Drug Stores	5	6	15	23	373	642	1,351	2,706
Miscellaneous	65	47	237	207	7,125	3,728	47,050	25,829
TOTAL RETAIL TRADE	437	317	1,441	1,158	96,317	42,320	295,154	200,419
CONSTRUCTION								
General Building Contractors	102	57	330	217	35,677	10,271	106,815	47,244
Building Sub-Contractors	101	70	314	253	93,679	7,518	123,188	34,830
Other Contractors	11	5	33	22	4,669	7,767	19,422	13,307
TOTAL CONSTRUCTION	214	132	677	492	134,025	25,556	249,425	95,381
COMMERCIAL SERVICE								
Passenger & Freight Transportation	50	21	135	87	9,468	36,631	42,520	52,372
Miscellaneous Public Services	1	--	6	6	915	--	2,740	342
Hotels	8	3	15	4	4,295	3,962	9,030	4,637
Cleaning, Dyeing & Repairing	4	2	13	11	289	37	685	957
Laundries	1	--	2	--	421	--	471	--
Funeral Services	--	1	2	2	--	53	224	69
Other Personal Services	7	7	37	28	517	488	2,225	2,635
Business Services	50	44	171	117	12,011	30,674	34,836	54,165
Repair Services	22	14	48	43	2,079	843	3,826	2,241
TOTAL COMMERCIAL SERVICE	143	92	429	298	29,986	72,688	96,557	117,418
TOTAL UNITED STATES	1,068	734	3,399	2,653	428,150	242,764	1,136,325	789,834

APPARENT ANNUAL NUMBER OF FAILURES PER 10,000 LISTED ENTERPRISES

	UNADJUSTED INDEX			ADJUSTED INDEX		
	1980	1979	1978	1980	1979	1978
January	31.2	27.7	21.8	30.9	27.4	21.5
February	31.4	27.8	27.4	27.5	24.4	24.0
March	39.1	30.1	26.3	36.2	27.9	24.6
April	45.2	32.7	25.3	42.2	30.8	24.1
May		30.3	24.3		29.1	23.4
June		25.9	21.7		26.2	21.9
July		25.3	20.2		27.5	22.0
August		30.6	27.4		32.9	29.8
September		23.5	20.3		26.1	22.6
October		32.9	21.8		33.6	22.5
November		24.0	26.0		23.1	25.2
December		22.7	24.0		24.9	26.4
No. Average		27.8	23.9			

	NUMBER OF FAILURES			LIABILITIES (In Thousands of Dollars)		
	1980	1979	1978	1980	1979	1978
January	729	642	504	243,149	182,220	168,308
February	677	545	559	190,788	177,087	205,014
March	925	732	666	274,238	187,763	324,412
April	1,068	734	594	428,150	242,764	202,990
May		708	583		200,449	160,395
June		602	519		273,171	178,839
July		565	459		212,200	231,821
August		736	675		287,438	206,395
September		505	458		186,195	127,022
October		767	511		395,753	475,342R
November		519	556		184,307	178,933
December		509	535		138,015	196,535
Total		7,564	6,619		2,667,362	2,656,006R

DUN'S FAILURE INDEX RELATES THE NUMBER OF FAILURES IN EACH MONTH TO THE NUMBER OF INDUSTRIAL AND COMMERCIAL ENTERPRISES LISTED IN THE DUN & BRADSTREET REFERENCE BOOK. IT SHOWS THE ANNUAL RATE AT WHICH BUSINESS CONCERNS WOULD FAIL IF THE NUMBER OF FAILURES AND CONCERNS LISTED IN THAT MONTH PREVAILED FOR AN ENTIRE YEAR. THE INDEX IS EXPRESSED AS THE ANNUAL NUMBER OF FAILURES PER 10,000 LISTED INDUSTRIAL AND COMMERCIAL ENTERPRISES.

THE "UNADJUSTED" FIGURES HAVE BEEN SLIGHTLY ADJUSTED TO EQUALIZE, IN SO FAR AS POSSIBLE, THE NUMBER OF WORKING DAYS IN EACH MONTH. SEASONAL FLUCTUATIONS HAVE BEEN REMOVED IN THE ADJUSTED INDEX BY THE METHOD OF DEVIATIONS FROM A TWELVE-MONTH MOVING AVERAGE.

BUSINESS FAILURES INCLUDE THOSE BUSINESSES THAT CEASED OPERATIONS FOLLOWING ASSIGNMENT, OR BANKRUPTCY; CEASED WITH THE LOSS TO CREDITORS AFTER SUCH ACTIONS AS EXECUTION, FORECLOSURE, OR ATTACHMENT; VOLUNTARILY WITHDREW LEAVING UNPAID OBLIGATIONS; WERE INVOLVED IN COURT ACTIONS SUCH AS RECEIVERSHIP, REORGANIZATION, OR ARRANGEMENT, OR VOLUNTARILY COMPROMISED WITH CREDITORS OUT OF COURT.

LIABILITIES, AS USED IN THE FAILURE RECORD, HAVE A SPECIAL MEANING: THEY INCLUDE ALL ACCOUNTS AND NOTES PAYABLE AND ALL OBLIGATION, WHETHER IN SECURED FORM OR NOT, KNOWN TO BE HELD BY BANKS, OFFICERS, AFFILIATED COMPANIES, SUPPLYING COMPANIES, OR THE GOVERNMENT. THEY DO NOT INCLUDE LONG-TERM, PUBLICLY-HELD OBLIGATIONS. OFFSETTING ASSETS ARE NOT TAKEN INTO ACCOUNT.

UNITED STATES FAILURES BY STATES -- 1980

REGIONS AND STATES	NUMBER OF FAILURES				LIABILITIES (In Thousands of Dollars)			
	APRIL		FOUR MONTHS		APRIL		FOUR MONTHS	
	1980	1979	1980	1979	1980	1979	1980	1979
MAINE	2	5	24	10	48	361	15,112	985
NEW HAMPSHIRE	5	1	6	7	465	3,594	515	4,180
VERMONT	3	1	3	3	221	17	221	71
MASSACHUSETTS	26	13	70	67	9,775	6,823	23,483	20,744
CONNECTICUT	4	4	34	27	1,511	256	10,110	3,303
RHODE ISLAND	--	--	1	1	--	--	32	734
TOTAL NEW ENGLAND	40	24	138	115	12,020	11,051	49,473	30,017
NEW YORK	48	80	160	223	79,177	53,760	159,735	102,555
NEW JERSEY	42	29	151	114	7,046	16,302	66,645	52,041
PENNSYLVANIA	54	32	185	131	13,529	20,106	32,469	70,440
TOTAL MIDDLE ATLANTIC	144	141	496	468	99,752	90,168	258,849	255,036
OHIO	20	32	95	101	1,919	5,494	18,772	29,194
Indiana	28	16	88	57	7,706	3,931	23,709	19,752
Illinois	50	36	188	141	11,334	6,673	43,288	32,733
Michigan	58	62	201	173	14,775	8,858	57,499	58,941
Wisconsin	12	12	57	41	1,952	1,109	9,297	3,635
TOTAL EAST NORTH CENTRAL	168	158	629	513	37,686	26,065	152,565	144,255
MINNESOTA	27	22	78	82	5,633	3,499	52,393	16,968
IOWA	13	6	34	27	1,215	324	5,478	3,995
MISSOURI	6	2	36	22	2,947	402	13,294	1,180
NORTH DAKOTA	4	3	20	11	3,458	716	5,305	2,823
SOUTH DAKOTA	5	3	15	11	1,048	619	5,016	4,163
NEBRASKA	14	10	36	26	2,488	720	6,573	2,926
KANSAS	13	7	51	34	3,754	472	8,013	4,659
TOTAL WEST NORTH CENTRAL	82	53	270	213	20,543	6,752	96,072	38,774
MARYLAND	10	19	59	52	854	3,488	8,919	10,063
DELAWARE	--	--	--	6	--	--	--	1,109
DISTRICT OF COLUMBIA	--	5	--	6	--	1,283	--	1,333
VIRGINIA	24	16	82	37	6,443	3,189	19,039	6,885
WEST VIRGINIA	3	2	8	10	3,559	211	4,297	6,704
NORTH CAROLINA	23	9	47	33	9,381	3,481	17,908	5,960
SOUTH CAROLINA	--	--	--	2	--	--	--	12,042
GEORGIA	30	9	67	51	22,335	1,187	35,065	11,481
FLORIDA	11	9	40	31	3,571	7,139	13,026	17,216
TOTAL SOUTH ATLANTIC	101	69	303	228	46,148	19,978	98,254	72,793
KENTUCKY	9	4	57	18	1,237	461	13,553	3,676
TENNESSEE	46	18	129	60	14,272	1,570	33,087	7,660
ALABAMA	10	15	33	50	1,065	1,685	5,574	7,757
MISSISSIPPI	7	1	13	13	957	26	7,662	5,126
TOTAL EAST SOUTH CENTRAL	72	38	232	141	17,531	3,742	59,876	24,219
ARKANSAS	11	9	26	25	3,746	1,189	7,162	2,925
OKLAHOMA	21	9	70	43	6,222	978	21,338	11,838
LOUISIANA	13	12	34	39	1,587	3,662	23,299	10,354
TEXAS	83	34	281	188	21,279	29,600	93,635	79,766
TOTAL WEST SOUTH CENTRAL	128	64	411	295	32,834	35,429	145,434	104,883
MONTANA	1	6	2	13	231	1,170	332	1,801
IDAHO	8	1	18	8	1,033	127	2,891	1,078
WYOMING	--	--	--	2	--	--	--	1,626
COLORADO	25	11	49	37	8,855	1,211	14,629	6,981
NEW MEXICO	--	--	19	3	--	--	2,016	174
ARIZONA	2	--	2	14	132	--	132	773
UTAH	3	--	9	8	122	--	791	660
NEVADA	2	2	12	11	74	159	2,390	1,275
TOTAL MOUNTAIN	41	20	111	96	10,447	2,667	23,181	14,368
ALASKA	10	--	23	--	1,197	--	3,772	--
HAWAII	11	5	37	14	3,907	2,271	9,921	2,775
WASHINGTON	94	37	180	114	13,174	2,702	37,684	15,570
OREGON	25	16	64	57	84,615	3,547	92,916	8,885
CALIFORNIA	152	109	505	399	48,296	38,392	108,328	108,259
TOTAL PACIFIC	292	167	809	584	151,189	46,912	252,621	135,489
25 LARGEST CITIES								
NEW YORK, NEW YORK	23	66	90	173	76,193	49,881	144,754	93,553
CHICAGO, ILLINOIS	9	10	32	40	1,139	1,326	6,388	10,596
LOS ANGELES, CALIFORNIA	12	9	50	29	1,762	1,717	12,252	8,207
PHILADELPHIA, PENNSYLVANIA	16	5	47	31	4,634	350	8,283	22,064
DETROIT, MICHIGAN	6	7	18	22	3,261	791	6,311	5,603
HOUSTON, TEXAS	13	10	53	34	2,848	4,160	18,130	10,983
BALTIMORE, MARYLAND	2	7	23	21	45	2,383	4,669	5,648
DALLAS, TEXAS	19	8	33	28	7,041	13,733	12,827	27,672
WASHINGTON, D.C.	--	5	--	7	--	1,283	--	1,868
CLEVELAND, OHIO	--	4	--	10	--	849	--	1,234
INDIANAPOLIS, INDIANA	6	3	27	10	3,740	660	7,168	2,237
MILWAUKEE, WISCONSIN	1	3	4	6	51	437	309	752
SAN FRANCISCO, CALIFORNIA	4	1	13	19	2,640	2,814	3,593	12,412
SAN DIEGO, CALIFORNIA	--	1	6	4	--	165	1,161	585
SAN ANTONIO, TEXAS	6	1	26	10	290	692	6,109	2,175
BOSTON, MASSACHUSETTS	5	3	18	12	1,775	3,136	4,504	4,088
MEMPHIS, TENNESSEE	6	2	18	9	572	73	1,344	831
ST. LOUIS, MISSOURI	--	--	3	2	--	--	5,054	53
NEW ORLEANS, LOUISIANA	3	3	8	7	253	662	18,872	1,638
PHOENIX, ARIZONA	1	--	1	6	32	--	32	369
COLUMBUS, OHIO	2	--	14	3	280	--	3,598	3,410
SEATTLE, WASHINGTON	16	4	28	15	2,067	615	13,661	2,825
JACKSONVILLE, FLORIDA	--	--	--	--	--	--	--	--
PITTSBURGH, PENNSYLVANIA	1	3	16	10	38	13,743	2,381	15,943
DENVER, COLORADO	11	3	17	8	3,507	358	4,127	1,348
TOTAL 25 CITIES	162	158	545	516	112,168	99,828	285,527	236,094
BALANCE OF COUNTRY	906	576	2,854	2,137	315,982	142,936	850,798	553,740
TOTAL UNITED STATES	1,068	734	3,399	2,653	428,150	242,764	1,136,325	789,834

SIZE OF LIABILITIES (In Thousands of Dollars)

SIZE OF LIABILITIES BY INDUSTRY GROUP	APRIL 1980 NUMBER	APRIL 1980 PER CENT	APRIL 1980 CURRENT LIAB.	APRIL 1979 NUMBER	APRIL 1979 PER CENT	APRIL 1979 CURRENT LIAB.	FOUR MONTHS NUMBER	FOUR MONTHS PER CENT	FOUR MONTHS CURRENT LIAB.	FOUR MONTHS NUMBER	FOUR MONTHS PER CENT	FOUR MONTHS CURRENT LIAB.
MINING & MANUFACTURING	143	100.0	126,688	114	100.0	72,694	473	100.0	361,592	395	100.0	262,438
Under $5,000	1	0.7	2	--	--	--	1	0.2	2	1	0.3	1
$5,000 to $25,000	10	7.0	151	5	4.4	71	36	7.6	534	23	5.8	385
$25,000 to $100,000	29	20.5	1,713	32	28.1	1,725	106	22.5	6,133	118	29.9	6,560
$100,000 to $1,000,000	79	54.9	24,201	63	55.2	17,635	278	54.4	81,939	202	51.1	59,480
$1,000,000 and Over	24	16.9	100,621	14	12.3	53,263	72	15.3	272,984	51	12.9	196,012
WHOLESALE TRADE	131	100.0	41,134	79	100.0	29,506	399	100.0	133,597	310	100.0	114,178
Under $5,000	2	1.5	4	1	1.3	4	2	0.5	4	2	0.6	7
$5,000 to $25,000	8	6.1	120	8	10.1	116	24	6.3	369	26	8.4	392
$25,000 to $100,000	39	29.8	2,448	17	21.5	991	124	32.8	7,423	97	31.3	5,461
$100,000 to $1,000,000	70	53.4	18,913	46	59.5	15,273	198	52.2	55,696	162	52.3	52,338
$1,000,000 and Over	12	9.2	19,649	6	7.6	13,122	31	8.2	70,105	23	7.4	55,980
RETAIL TRADE	437	100.0	96,317	317	100.0	42,320	1,441	100.0	295,154	1,158	100.0	200,419
Under $5,000	3	0.7	6	6	1.9	15	15	1.0	44	18	1.5	49
$5,000 to $25,000	55	12.6	745	43	13.6	637	173	12.0	2,623	190	16.4	2,979
$25,000 to $100,000	188	42.9	10,312	155	48.9	8,050	612	42.5	34,764	514	44.4	28,299
$100,000 to $1,000,000	177	40.6	45,065	110	34.7	26,106	603	41.9	147,265	419	36.2	99,561
$1,000,000 and Over	14	3.2	40,189	3	0.9	7,512	38	2.6	110,458	17	1.5	69,531
CONSTRUCTION	214	100.0	134,025	132	100.0	25,556	677	100.0	249,425	492	100.0	95,381
Under $5,000	1	0.5	4	2	1.5	6	2	0.3	5	3	0.6	9
$5,000 to $25,000	18	8.4	319	21	15.9	292	71	10.5	1,197	55	11.2	873
$25,000 to $100,000	90	42.0	5,273	55	41.7	2,970	258	38.1	14,841	195	39.6	10,593
$100,000 to $1,000,000	96	44.9	104,789	49	37.1	11,615	321	47.4	163,557	225	45.7	58,893
$1,000,000 and Over	9	4.2	23,640	5	3.8	10,673	25	3.7	68,825	14	2.9	25,013
COMMERCIAL SERVICE	143	100.0	29,986	92	100.0	72,688	429	100.0	96,557	298	100.0	117,418
Under $5,000	1	0.7	5	--	--	--	3	0.5	13	4	1.3	10
$5,000 to $25,000	27	18.9	434	19	20.6	249	68	15.8	1,093	59	19.8	836
$25,000 to $100,000	53	37.0	2,847	33	35.9	1,677	175	40.8	9,489	117	39.3	6,190
$100,000 to $1,000,000	56	39.2	15,195	33	35.9	8,698	163	38.0	42,726	105	35.2	28,794
$1,000,000 and Over	6	4.2	11,506	7	7.6	62,064	20	4.7	43,236	13	4.4	81,588
TOTAL UNITED STATES	1,068	100.0	428,150	734	100.0	242,764	3,399	100.0	1,136,325	2,653	100.0	789,834
Under $5,000	8	0.7	21	9	1.2	25	23	0.7	68	28	1.1	76
$5,000 to $25,000	118	11.0	1,769	96	13.1	1,365	372	0.9	5,817	353	13.3	5,465
$25,000 to $100,000	399	37.4	22,593	292	39.8	15,413	1,275	37.5	72,650	1,041	39.2	57,103
$100,000 to $1,000,000	478	44.8	208,162	302	41.1	79,327	1,543	43.4	492,182	1,113	42.0	299,066
$1,000,000 and Over	65	6.1	195,605	35	4.8	146,634	186	5.5	565,608	118	4.4	428,124

FAILURES BY FEDERAL RESERVE DISTRICT BY DIVISIONS OF INDUSTRY...APRIL 1980
(Liabilities In Thousands of Dollars)

FEDERAL RESERVE DISTRICTS BY INDUSTRY GROUP	MANUFACTURING NUMBER	MANUFACTURING CURRENT LIAB.	WHOLESALE TRADE NUMBER	WHOLESALE TRADE CURRENT LIAB.	RETAIL TRADE NUMBER	RETAIL TRADE CURRENT LIAB.	CONSTRUCTION NUMBER	CONSTRUCTION CURRENT LIAB.	COMM. SERVICE NUMBER	COMM. SERVICE CURRENT LIAB.	U.S. TOTAL NUMBER	U.S. TOTAL CURRENT LIAB.
Boston	6	2,981	7	3,770	23	3,286	2	892	4	589	42	11,518
New York	15	70,445	16	8,050	29	4,972	9	619	6	635	75	84,721
Philadelphia	9	3,217	4	901	19	2,336	9	1,016	8	1,474	49	8,944
Cleveland	6	4,414	--	--	14	1,999	10	1,374	5	464	35	8,251
Richmond	5	2,935	6	1,924	27	8,262	16	2,224	6	4,897	60	20,242
Atlanta	14	5,347	17	6,974	50	22,129	14	6,399	10	1,594	105	42,443
Chicago	14	5,824	26	4,352	70	14,213	25	9,051	15	2,342	150	35,782
St. Louis	4	3,707	8	860	15	1,628	10	1,796	3	585	40	8,576
Minneapolis	5	2,811	6	872	20	6,072	4	308	5	475	40	10,538
Kansas City	14	6,900	10	2,079	25	5,040	17	7,386	8	1,222	74	22,627
Dallas	10	3,230	13	5,328	31	3,880	15	3,348	18	5,914	87	21,700
San Francisco	41	14,877	18	6,024	114	22,500	83	99,612	55	9,795	311	152,808
TOTAL UNITED STATES	143	126,688	131	41,134	437	96,317	214	134,025	143	29,986	1,068	428,150